

STATE SENATOR • MARK SCHAUER • 19TH DISTRICT

# Schauer Press Release



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## Schauer Praises Governor for Duncan Job Creation

*Governor signs tax aviation tax cuts into law*

LANSING-State Sen. Mark Schauer (D-Battle Creek) praised Governor Granholm's quick action to today sign into law substantial tax cuts that will enable Duncan Aviation and other aircraft repair facilities to compete on a level playing field with similar companies in other states.

"Duncan Aviation exemplifies the type of growth and diversity Michigan needs to compete in the 21<sup>st</sup> Century economy," said Sen. Schauer. "Governor Granholm understands the importance of Duncan and its ability to create good-paying jobs to our community."

Governor Granholm signed into law Public Acts 17 and 18 of 2006, which exempt certain aircrafts and aircraft parts from sales and uses taxes. Since neighboring states do not subject these aircrafts and parts to taxation, Duncan Aviation and has faced a substantial disadvantage compared to out-of-state competitors. Duncan recently lost out on several lucrative contracts in their Battle Creek facility because of the imposition of these sales and use taxes. Given the high cost of aircraft parts, an additional six percent is certainly enough for potential customers to take their business elsewhere.

"I am pleased to sign legislation which helps create a more level playing field for Michigan companies like Battle Creek's Duncan Aviation," said Governor Jennifer M. Granholm. "This legislations will help us compete with other states to create and retain good-paying jobs for our local communities."

Sen. Schauer, vice chair of the Senate Commerce & Labor committee expedited the committee process to bring these bills to the floor and ultimately the Governor quickly to prevent the loss of an additional project. Duncan was at stake to lose a significant project if these new laws were not signed this week.

"We are very pleased to see Michigan take a pro-active approach to leveling the playing field for aviation facilities throughout the state of Michigan. These bills will allow us and other aviation firms to compete on a truly global basis," said Bill Prochazka, Executive vice president and general manager of Duncan Aviation. The ability to compete for both domestic and foreign projects, without undue tax burdens for our customers, will certainly help the state's aviation businesses grow and create new jobs. It is especially satisfying to see our elected officials take a bi-partisan approach to finding an effective solution to this issue."

Duncan Aviation is a high-level aviation maintenance and renovation firm located in Battle Creek. They employ over 500 workers and operate a 200,000 square foot facility.

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*Mark Schauer is the Senate Democratic Floor Leader. He represents the 19<sup>th</sup> Senate District, which includes all of Calhoun County and most of Jackson County.*